

Public
Employees'
Retirement
System

PERS Plan 3 Employer Update

Transfer Decision Seminar Scheduling

The Department of Retirement Systems' (DRS) contracted vendor, ICMA-Retirement Corporation (ICMA-RC), will offer both Public Employees' Retirement System (PERS) Plan 2 or Plan 3 Transfer Decision and Investment Education seminars for members. Transfer education seminars will begin in June 2002 and investment education seminars will begin in September 2002. ICMA-RC began contacting employers in April 2002 to arrange scheduling and registration for Transfer Education seminars. Members may register through the Web site: <http://www.wa.gov/DRS/member/pers/2or3>. Employers should periodically review the transfer and investment education Web sites and inform their employees of local seminars.

Past experience has shown that while some employees are anxious for information, and will attend transfer education seminars at the first opportunity, a greater number will wait until the final months of the transfer window to take any action. DRS believes that demand for seminars will be high around the opening of the transfer window in September, and again toward the end of the transfer window in spring 2003.

We are asking ICMA-RC to adjust its efforts toward making the maximum practical number of seminars available in the last third of the transfer window (March, April, and May 2003). Please keep this in mind when ICMA-RC representatives contact you to schedule seminars for the transfer window. For questions about transfer and/or investment education seminars, contact Stephanie Dutton, field director with ICMA-RC, at 1-800-735-7202 (ext. 5990).

PERS Plan 3 Education Materials

PERS Plan 3 Transfer Decision Packets

DRS will mail *Journey to Retirement: PERS Plan 2 or Plan 3 Transfer Decision* packets to members in May 2002. The packets will be mailed to the homes of PERS Plan 2 members employed as of January 2002.

The packet contains information to assist members in making the decision of whether to stay in PERS Plan 2 or transfer to PERS Plan 3. In addition, the packet will include the Transfer Decision "At a Glance" document, and a letter that details the member's March 1, 2002, PERS Plan 2 account balance

and retroactive gain sharing amount. The letter is intended for use in conjunction with the financial modeling software.

These packets will also be mailed to employers in May 2002 for distribution to those employees hired between February 1, 2002 and August 31, 2002, and to employees who are rehired after Plan 3 begins in September 2002.

Journey to Retirement Posters & Flyers

In May 2002, DRS will mail employers *Journey to Retirement* posters and flyers to announce the PERS Plan 3 transfer and investment education program. The posters and flyers will inform members how to obtain information about PERS Plan 3 transfer and investment education seminars. Employers should display the posters and flyers in prominent locations, such as lunch and break rooms.

PERS Plan 2 or Plan 3 New Member Plan Choice Packets

New members hired on or after September 1, 2002, have 90 days to make a plan decision. *PERS Plan 2 or Plan 3 New Member Plan Choice* packets will be mailed to employers in July and August 2002. Employers should distribute the **New Member Plan Choice** packets to new employees immediately upon hiring. This packet will help them with their decision.

PERS Plan 3 Investment Education Materials

The **PERS Plan 3 Investment Education** materials will be mailed to employers in July and August 2002. These materials provide members with detailed information about Plan 3 investment options. The investment education materials will also be available to members at the investment education seminars, so employers should only distribute investment packets to members who request them.

Transfer, Choice and Investment Education Videos

The *Transfer Decision* video will be mailed to employers in May 2002. The *New Member Plan Choice* and *PERS Plan 3 Investment Education* videos will be mailed to employers in July and August 2002.

Employers should use the **New Member Plan Choice** video as part of their new employee orientation and provide the **Transfer Decision** and **Investment Education** videos to members for checkout upon request. After receiving any of the materials listed on page 3, if you find that you need additional copies, please use the appropriate telephone numbers listed under *Resources* on page 6.

Second Transfer Payment Qualification Month Added

In March, the Washington State Legislature passed Senate Bill 6376 that allows PERS Plan 3 members, who work for local government employers (and who transfer to PERS Plan 3 during the initial transfer window), to receive the transfer payment if they earn service credit in either June 2002 or February 2003.

Previously, members transferring to PERS Plan 3 during the September 1, 2002 to May 31, 2003 transfer window had to earn service credit in February 2003 to qualify for the transfer payment. The new legislation gives members the option of earning service credit in either June 2002 or February 2003. Any amount of service credit earned in either June 2002 or February 2003 qualifies.

Regardless of the month service credit is earned, the transfer payment will be applied to qualifying members' accounts in June 2003.

Items Employers Will Receive

The table below indicates the timeline for a number of items that DRS will be mailing to employers over the next few months. If the date indicated passes and you have not received the items listed below, please call the appropriate number listed under *Resources* on page 6.

Items Mailed by DRS	Date	For Whom?
<i>DRS Employer Handbook</i>	February 2002	Employers
<i>PERS Plan 1 and Plan 2 Member Handbooks</i>	February 2002	Plan 1 and Plan 2 members
<i>PERS Plan 2 or Plan 3 Transfer Decision</i> Packets* and videos	May 2002	Plan 2 members who establish membership prior to September 1, 2002
<i>Journey to Retirement</i> Posters and Flyers	May 2002	PERS Plan 2 members seeking information regarding PERS seminars
<i>New Member Plan Choice</i> packets and <i>New Member Plan Choice</i> videos	July 2002 - August 2002	Plan 2 members with original hire/ membership date on or after September 1, 2002
<i>PERS Plan 3 Investment Education</i> materials and <i>Investment Education</i> videos	July 2002- August 2002	Members who choose Plan 3 and/or need more information about Plan 3 investments
<i>PERS Plan 3 Member Handbooks</i>	July 2002- August 2002	Plan 2 members who request them and ALL Plan 3 members

* This packet will be mailed directly to members' homes if they were employed prior to February 2002. Employers will also receive copies (totaling approximately 10 percent of their current Plan 2 membership, or at least a minimum of three copies).

Employer Training

DRS' Employer Support Services (ESS) unit is working closely with employers to coordinate PERS Plan 3 training. In-depth PERS Plan 3 training sessions with employers will begin May 2002 and continue through August 2002. By now, all employers should have received an invitation to attend one of the training sessions.

The sessions cover topics such as new forms required by PERS Plan 3, new reporting requirements, and Plan 3 impacts to the Edit Message Report and the Statement of Account Activity. ESS encourages Human Resources/Benefits and Payroll staff to attend one of these workshops.

Who should attend the training?

Staff members who answer "yes" to any of the following questions are encouraged to sign-up for one of the classes on the DRS Web site at http://www.wa.gov/drs/employer/train/index_phase2.htm. **It is imperative that both the Human Resources/Benefits and Payroll sections of your organization are represented at these training workshops.**

- Are you unsure of what you need to make the implementation of Plan 3 successful for your PERS employees?
- Do you provide information, such as DRS forms to new employees?
- Do you enter information about new employees into your payroll system?
- Will you be providing new employees with the new packets (Transfer or Choice) that describe their retirement choices?
- Do you provide new employee orientation classes?
- Do you receive the Edit Message Report or the Statement of Account Activity from DRS?

Registration

Employers may view a schedule of workshops at:
http://www.wa.gov/drs/employer/train/index_phase2.htm.

To register for a class, follow the instructions and use the online registration form. You can also register by U.S. mail or by phone per the instructions provided via the link above.

The training sessions are scheduled for May 2002 through August 2002 and are planned so each employer can choose the most convenient time and location. The classes include hands-on examples and are approximately 3.5 hours in length. DRS recommends that managers attend one of the earlier workshops - this will help determine what administrative changes need to be made prior to September 1, 2002. It will also give managers an opportunity to decide which of their staff needs to attend one of the later workshops.

DRS Employer Handbook

DRS mailed updated copies of the ***DRS Employer Handbook*** to employers in February 2002. Employers who need additional copies or have questions regarding the **Handbook** should contact DRS at the numbers listed under *Resources* on page 6.

Internet Services

DRS implemented new Internet services in spring 2002 that allow employers to use the Web to submit Regular and Correction Transmittal Reports. Many employers have already signed up for this process that replaces the paper form employers currently use. The paper form is still accepted from employers who do not have access to the Internet. The new Internet services were created to help ensure that employers submit accurate and timely member information.

The new Internet services will also allow employers to verify the status of a new employee such as:

- Is the employee already a PERS member?
- Is the employee retired?
- To what plan does a member belong?
- If Plan 2, is an employee eligible to transfer to Plan 3?
- Is the employee a new member who has up to 90 days to select a retirement plan?

In addition, employers can use a self-audit program at:

http://www.wa.gov/drs/employer/self_audit/index.htm

Employer Reporting Questions

Employers should submit their test files as soon as possible, and no later than July 2002 to allow enough time to correct any errors that may exist prior to September 2002. Letters and surveys were mailed in the last week of March 2002 to those employers who need to convert their DRS reporting files. For questions, contact ESS at 1-800-547-6657 (ext. 47200) or (360) 664-7200.

Resources

Internet Site: Additional information will be posted to the Web site at:

<http://www.wa.gov/DRS>

Employers: If you have questions, contact ESS at:

1-800-547-6657 (ext. 47200) or (360) 664-7200

To order transfer/choice packets/videos, or handbooks, contact DRS at:

1-800-547-6657 (ext. 47066) or (360) 664-7066

To order additional investment education packets, videos and posters/flyers, contact ICMA-RC at:

1-888-711-8773

Members: If members have questions, they can contact DRS at:

1-800-547-6657 or (360) 664-7000